# **Greenhouse Lease**

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day of May, 2019,

Via Verde Hydroponics Ltd. (the "Landlord")

AND

Greenway Greenhouse Cannabis Corporation (the "Tenant")

# WITNESSETH AS FOLLOWS:

# Article 1 — Basic Terms, Definitions

# **1.1 Basic Terms**

- (a) Landlord: Via Verde Hydroponics Ltd.
   Address: 1414 Seacliff Drive, Kingsville, Ontario N9Y 2M2
- (b) Tenant: Greenway Greenhouse Cannabis Corporation Address: 1414 Seacliff Drive, Kingsville, Ontario N9Y 2M2
- (c) Property: the Lands described in Schedule "B" and municipally known as 1102 Mersea Road 5, Learnington, Ontario N8H 3V6

(d) Premises: that portion of the Property consisting of greenhouse space of approximately 43,200 square feet, fertilizer/storage room space of approximately 3,600 square feet, warehouse space of approximately 10,224 square feet, and the remainder of the room of approximately 5,325 square feet asillustrated in Schedule "A"

- (e) Rentable Area of Premises: 62,349 Square feet, subject to Section 2.2
- (f) Term: Twenty (20) years Commencement Date: May 1, 2019 End of Term: April 30, 2039
- (g) Basic Rent (Section 4.1)

Period	Per Year	Per Month
May 1 <sup>st</sup> , 2019 to April 30 <sup>th</sup> , 2039	\$250,000.00	\$20,833.33

- (h) Permitted Use (Section 8.1): Greenhouse cultivation, production and sale including recreational and medical cannabis
- (i) Extension Rights: set out in Schedule "E", if applicable

(j) Schedules forming part of this Lease:

Schedule "A" Plan Schedule "B" Legal Description Schedule "C" Rules and Regulations Schedule "D" Option to Lease Additional Space Schedule "E" Extension Rights Schedule "F" Option to Purchase Property Schedule "G" Ontario Real Estate Association Commercial Agreement of Purchase and Sale Schedule "H" Option to Lease Vacant Land Schedule "I" Form of Farm Lease Schedule "J" Option to Purchase Vacant Land

# **1.2 Definitions**

In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) "Additional Rent" means the Proportionate Share of Operating Costs, Proportionate Share of Realty Taxes, payments for utilities, and all other amounts, excluding Basic Rent and Rental Taxes, payable by the Tenant in accordance with the terms of this Lease;
- (b) "Basic Rent" means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) "Commencement Date" means the date set out in Section 1.1(f), as such may be varied pursuant to the terms of this Lease;
- (d) "Common Areas" means those areas, facilities, utilities, improvements, equipment and installations within, adjacent to or outside the Property which serve or are for the benefit of the Property, which do not comprise part of the Premises and which, from time to time, are not designated or intended by the Landlord to be for the Landlord's exclusive use, and which include all corridors, hallways, lobbies and stairwells, all walkways and sidewalks, all landscaped and planted areas, the roof and exterior walls of the Property, exterior and interior structural elements and walls of the Property, common washrooms, all parking and loading areas and all entrances and exits thereto and all structural elements thereof, all access ways, truck courts, driveways, delivery passages, loading docks and related areas, all electrical, telephone, meter, valve, mechanical, mail, storage, service and janitorial rooms, fire prevention, security and communication systems, and generally all areas forming part of the Property which do not constitute the Premises;
- (e) "Event of Default" has the meaning set out in Section 14.1;
- (f) "Greenhouse Equipment" means all greenhouse equipment, fixtures, facilities and installations currently located on the Property and the Premises including heating systems, including boilers and backup fuel storage, climate control systems including computers, fans, weather monitoring and temperature controls, watering and nutrient delivery & recovery systems including computers, injectors, storage tanks & troughs, electrical systems including electrical generators, air Compressors, CO2 burners and delivery systems, track systems, and all accessories to the forgoing;

- (g) "Hazardous Substance" means: (i) any solid, liquid, gaseous or radioactive substance that is likely to cause material harm or degradation to any property or the environment or to any person or animal; (ii) any pollutants, contaminants, hazardous waste or other noxious substances; and (iii) any substance declared at any time by any governmental authority to be hazardous under any applicable environmental law or regulation;
- (h) "HVAC Equipment" means heating and ventilating equipment, facilities and installations;

(i) "Landlord's Insurance Costs" means all insurance premiums incurred and paid by the Landlord to insure the Property as provided herein;

- (j) "Lands" means the lands described in Schedule "B", as such may be varied from time to time, and all rights and easements which are or may hereafter be appurtenant thereto;
- (k) "Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions), but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (1) "Mortgage" means any mortgage, charge or other security against the Property and/or the Landlord's interest in this Lease, from time to time;
- (m) "Mortgagee" means the holder of any Mortgage from time to time;
- (n) "Normal Business Hours" means such hours as the Landlord reasonably determines from time to time for the operation of the Property;
- (o) "Operating Costs" means, for any period, the total of all costs and expenses attributable to the maintenance, repair, replacement, administration, management and operation of the Premises (excluding the Common Areas) during such period including, without limiting the generality of the foregoing:
  - (i) all charges for utilities and similar services to the Premises including, without limiting the generality of the foregoing, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the and Premises and for fittings, machinery, apparatus, meters, or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities and similar services (to be paid and allocated to the Tenant as provided herein);
  - (ii) all costs incurred by the Landlord or Tenant in connection with the maintenance, repair, replacement and operation of the Premises (including all services, equipment, and other fixtures and appurtenances) and every part thereof, and of complying with all applicable laws, directions, rules and regulations of the governmental authorities having jurisdiction and in connection therewith including, without limiting the generality of the foregoing, the cost of providing garbage removal and maintenance services, the cost of heating and cooling and ventilating the and Premises and the cost of maintaining, repairing and replacing all HVAC

Equipment, Greenhouse Equipment, the cost of window cleaning, and any and all other costs incurred by the Landlord in connection with the maintenance, repair and operation of the Premises;

- (iii) the cost of providing security, supervision, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or operation of the Premises, and amounts paid to independent contractors for any services in connection with such maintenance or operation;
- (iv) the cost of direct supervision and management and indirect expenses, to the extent applicable to the maintenance and operation of the Premises;
- (v) the cost of insuring the Premises in accordance with the terms of this Lease; and
- (vi) all costs and expenses (including legal and other professional fees, interest and penalties on deferred payment) incurred in good faith by the Landlord in contesting, resisting or appealing any Realty Taxes;

provided that Operating Costs shall exclude:

- (A) all such costs determined by separate metering or assessment, or otherwise incurred for the exclusive benefit of the Premises leased by the Tenant and billed to and paid for directly by the Tenant, including charges to Tenant for above-normal utilization of utilities;
- (B) the cost to the Landlord of debt service in connection with any Mortgage;
- (C) taxes on the income of the Landlord; and
- (D) all charges for water, the cost for which shall be included in the Basic Rent.
- (p) "Premises" means that portion of the Property identified in Section 1.1(d) and having the Rentable Area as set out in Section 1.1(e), and all rights and easements appurtenant thereto;
- (q) "Prime Rate" means the rate of interest per annum from time to time publicly quoted by the Landlord's Canadian chartered bank as its reference rate of interest for determining rates of interest chargeable in Learnington on Canadian dollar demand loans to commercial customers;
- (r) "Property" means the greenhouse facility which is comprised of the Lands together with the improvements, Greenhouse Equipment, buildings, fixtures and equipment (whether chattels or fixtures) on such Lands (but not including tenants' fixtures, improvements or chattels) from time to time;
- (s) "Proportionate Share" means the fraction which has as its numerator the Rentable Area of the Premises and has as its denominator the total Total Area of Greenhouses, Buildings and Warehouses on the Property which currently is 6.1%;
- (t) "Realty Taxes" means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are

levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Property or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;

- (u) "Rent" means all Basic Rent and Additional Rent;
- (v) "Rentable Area of the Premises" means 62,349 Square feet;
- (w) "Rental Taxes" means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (x)"Rules and Regulations" means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;
- (y) "Term" means the period specified in Section 1.1(f) and, where the context requires, any renewal, extension or overholding thereof;
- (z) "Total Area of Greenhouses, Buildings and Warehouses on the Property" means 1,028,574 square feet being the aggregate of the area of all greenhouses, buildings and warehouses on the Property, calculated in the same manner as the Rentable Area of the Premises;
- (aa) "Transfer" means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person or entity, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred on any person or entity, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, and any transaction or occurrence whatsoever which has changed or will change the identity of the party having lawful use or occupancy of any part of the Premises; and
- (bb)"Transferee" means any person or entity to whom a Transfer is or is to be made.

# Article 2 — Demise and Term

#### 2.1 Demise

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises. The Tenant accepts the Premises on an "as is" basis.

#### **2.2 Measurement**

The Landlord and Tenant have estimated the Rentable Area of the Premises and the Total

Area of Greenhouses, Buildings and Warehouses on the Property but, notwithstanding the same, the Landlord may arrange to have the same measured by its architect, surveyor or other space measurer and, if the area measured is different than that set out in Section 1.1(e), 1.2(v) or 1.2(z)the Proportionate Share will be adjusted in accordance with the measured area. The Landlord will advise the Tenant in writing of the area measurement. If the Landlord does not arrange for such measurement, the Rentable Area of the Premises and the Total Area of Greenhouses, Buildings and Warehouses on the Property shall be deemed to be the area set out in Section 1.1(e), 1.2(v) and 1.2(z). The Landlord may recalculate the area of the Premises in the same manner whenever required as a result of a rearrangement of partitions or other changed conditions. The Landlord will advise the Tenant in writing of the revised certified area measurement, and the parties agree to be bound thereby.

# 2.3 Term

The Term shall commence on the Commencement Date, run for the period set out in Section 1.1(f) and end on the date set out in Section 1.1(f), unless terminated earlier pursuant to the provisions of this Lease.

# 2.4 Overholding

If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred percent (100%) of the monthly instalment of Basic Rent payable during the last year of the Term and one-twelfth (1/12) of all Additional Rent charges provided for herein, determined in the same manner as if the Lease had been renewed, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

### Article 3 — Rent

### 3.1 Covenant to Pay, Net Lease

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be net to the Landlord and clear of all taxes, costs and charges arising from or relating to the Premises and that the Tenant shall pay, as Additional Rent, all charges, impositions and expenses of every nature and kind relating to the Premises (except the Landlord's income taxes, and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly.

### **3.2 Rental Taxes**

The Tenant will pay to the Landlord the Rental Taxes assessed on: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but the Landlord shall have the same rights and remedies for non-payment of Rental Taxes as if does for the non-payment of Rent.

#### 3.3 Payment Method

The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly postdated cheques or new documentation (as applicable).

# 3.4 Rent Past Due

If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate per annum equal to the Prime Rate plus four percent (4%) from time to time, and such interest shall be calculated from the time such Rent becomes due until paid by the Tenant.

# Article 4 — Basic Rent

#### 4.1 Basic Rent

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever as annual Basic Rent, the sum set out in Section 1.1(g) of this Lease in equal monthly instalments in advance in the amounts set out in Section 1.1(g), on the first day of each and every month during the Term, commencing on the first day of May, 2019.

# Article 5 — Additional Rent

#### **5.1 Additional Rent**

(1) In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs incurred and attributable to the entire Rentable Area of the Premises:

- (a) any and all costs relating to the Premises that would otherwise be included in Operating Costs but are determined by separate metering or assessment of the Premises or otherwise incurred for the exclusive benefit of the Premises;
- (b) the Tenant's Operating Costs;
- (c) the Tenant's Proportionate Share of Realty Taxes levied, rated, charged or assessed on or in relation to the Property;
- (d) the Tenant's Proportionate Share of the Landlord's Insurance Costs, rated, charged or assessed on or in relation to the Property;
- (e) all amounts for hydro costs and heating costs provided to the Premises as set out herein; and
- (f) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be

payable by the Tenant.

(2) All of the payments set out in this Lease (other than Rental Taxes) shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

# **5.2 Realty Taxes**

(1) The Tenant shall pay to the Landlord, as Additional Rent, its Proportionate Share of Realty Taxes levied, rated, charged or assessed throughout the Term, on or in relation to the Premises, or any part thereof, in accordance with the following:

- (a) payment shall be due in annual instalments over each calendar year or such shorter period as required such that the Landlord will have in its hands an amount sufficient to pay each instalment of Realty Taxes when due to the taxing authorities. Prior to the commencement of each year, the Landlord shall estimate the amount of such equal monthly instalments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix annual instalments for the remaining balance of such year;
- (b) the Realty Taxes payable by the Tenant shall be determined by the Landlord by applying the Tenant's Proportionate Share of the Realty Taxes payable in respect of the Property. If, in any year, the Premises are assessed separately with respect to any Realty Taxes or there is a separate apportionment or assessment by the relevant authorities, then, at the election of the Landlord, the Realty Taxes payable by the Tenant shall be computed on the basis of such separate apportionment or assessment and shall include the Tenant's Proportionate Share of any Realty Taxes attributable to the Common Areas;
- (c) for the purposes of determining the share of Realty Taxes payable by the Tenant pursuant to this Lease, Realty Taxes shall include such additional amounts as would have formed part of Realty Taxes had the Property been fully assessed during the whole of the relevant fiscal period as fully completed and fully occupied by tenants, with no special exemptions or reductions, and without taking into account any actual or potential reduction of Realty Taxes or change of assessment category or class of premises within the Property which are vacant or underutilized; and
- (d) if the Landlord so directs, the Tenant shall pay Realty Taxes directly to the taxing authorities. In that event, the Tenant shall make payment, on or before the due date, of each instalment and shall provide to the Landlord, on demand, evidence of payment in the form of receipted bills.

(2) The Tenant acknowledges that the Realty Taxes levied against the premises are based on the Premises being classified in the Farmland Tax Class by the Ontario Ministry of Agriculture and Food. The Tenant acknowledges and agrees to pay all Realty Taxes including any increase in Realty Taxes on the Property as a result of the use of the Premises by the Tenant as a cannabis operation, notwithstanding the Premises may be reassessed at a higher tax rate or not be assessed in the Farmland Tax Class.

(3) The Landlord and Tenant acknowledge that the Tenant intends on making significant additions and improvements to the Premises so that they can be used as a cannabis operation. For greater certainty, in the event that the Realty Taxes increase as a result of any improvements made by the Tenant to the Premises or Common Areas, the Tenant shall be responsible for any such increase in Realty Taxes.

# **5.3 Business and Other Taxes**

In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed on the income of the Landlord); and
- (b) all Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

### **5.4 Operating Costs**

Prior to the commencement of each year, the Landlord shall estimate the amount of Operating Costs and other recurring Additional Rent payable by the Tenant for such year and notify the Tenant in writing of such estimate, providing reasonable details as to the breakdown and calculation thereof. The amount so estimated shall be payable in equal monthly instalments, in advance, on the first day of each month for each year in question. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate, providing reasonable details as to the breakdown and calculation thereof, and fix monthly instalments for the remaining balance of the year such that, after giving credit for instalments paid by the Tenant on the basis of the previous estimate or estimates, all Operating Costs and Additional Rent, based on the most recent estimate by the Landlord, will have been paid on the expiration of such year.

### 5.5 Annual Readjustment of Additional Rent

As soon as practicable after the expiration of each year, the Landlord shall make a final determination of Operating Costs, Realty Taxes, Landlord's Insurance Costs and other estimated Additional Rent based on the actual costs incurred therefor by the Landlord and shall notify the Tenant of such determination. If there has been a shortfall in the amounts payable by the Tenant for such period, the Tenant shall pay such shortfall within twenty (20) days after delivery of the Landlord's notice. Any overpayment may be paid by the Landlord to the Tenant without interest, or credited to the Tenant's account and held by the Landlord without interest, to be applied to payments falling due under this Lease. In the event of any dispute, the report of the Landlord's

auditor or accountant as to the Operating Costs and Realty Taxes shall be conclusive as to the amount thereof for any period to which such report relates. Neither the Landlord nor the Tenant may claim any adjustment on account of Operating Costs or Realty Taxes for any fiscal period more than two (2) years after the date of delivery of the statement for such period.

#### **5.6 Landlord's Insurance Costs**

The Tenant shall pay to the Landlord, as Additional Rent, its Proportionate Share of the Landlord's Insurance Costs in maintaining its insurance as contemplated herein in accordance with the following:

- (a) payment shall be due in equal annual instalments over each calendar year or such shorter period as required, such that the Landlord will have in its hands an amount sufficient to pay its insurance invoices. The Landlord shall estimate the amount of such equal annual instalments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix annual instalments for the remaining balance of such year; and
- (b) if the Landlord so directs, the Tenant shall reimburse it for the cost of insurance upon demand.

#### Article 6 — Utilities, Services and HVAC

#### 6.1 Payment for Utilities, Inputs and Other Services

(1) The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises. The Tenant shall not be responsible for charges and costs associated with the supply of utilities and services to the Common Areas or for the supply of water to the Premises. The Tenant at its option may, and on request of the Landlord shall, install a separate meter to measure consumption of any utilities and services. If separate meters are or shall be installed, the Tenant shall contract with and pay the supplier directly. In the event that any of the utilities and services are not separately metered for the Premises, the costs thereof shall be included in Operating Costs or otherwise paid as Additional Rent based on a reasonable allocation by the Landlord. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large amounts of electricity or other utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

(2) Until such time as the Tenant installs it's own separate heating system, the Landlord shall provide the Tenant with heating for the Premises using the boilers and heating system located in the Common Areas. The Tenant shall pay to the Landlord the sum of \$50,000.00 per annum for heating the Premises, payable in equal monthly installments of \$4166.66 monthly in advance, on the first day of each and every month during the Term. The Landlord and Tenant acknowledge and agree that this amount is a bona fide estimate, based on previous years consumption, of the actual costs incurred by the Landlord to heat the Premises. The Landlord and Tenant agree, in good faith, to review this amount on an annual basis and to adjust the amount upwards or downwards, as the case may be, based on an estimate of the actual consumption of natural gas and other utilities used to heat the Premises and any changes in the price paid for natural gas and other utilities by the Landlord.

(3) Until such time as the Tenant obtains its own hydro supply, the Landlord shall supply the Tenant with hydro to the Premises from its own hydro service or alternatively, from the cogeneration hydro facilities operated by the Landlord located in the Common Areas. The Landlord shall install a separate hydro meter for the hydro servicing the Premises, and the Tenant shall pay the sum of \$0.11 per kilowatt hour for the use of the hydro on a monthly basis, in arrears, on the first day of each and every month during the term. The Landlord and Tenant agree, in good faith, to review this amount on an annual basis and to adjust the amount upwards or downwards, as the case may be, based on an estimate of the actual cost of hydro supplied to the Premises.

(4) Until such time as the Tenant obtains its own supply, the Landlord shall supply the Tenant with such other services, inputs and supplies to the Premises as are required by the Tenant from time to time from its own facilites operated by the Landlord located in the Common Areas. Such services and supplies shall include, if required, CO2, fertilizer or drip irrigation services, and other crop inputs as required from time to time. The Tenant shall pay the Landlord, the Landlord's actual costs and expenses incurred by the Landlord in supplying such services supplies and inputs, to be determined by the Landlord acting reasonably. The Landlord shall submit invoices in respect thereof monthly to the Tenant.

(5) If the Tenant makes its own arrangements to provide the Premises with any utilities and services, the Landlord shall readjust the charges the Tenant is required to pay to the Landlord for the supply of utilities and services accordingly.

#### **6.2** Above-Normal Utilization

If there are special circumstances within the Premises causing utilization of any utilities or services in excess of that reasonably expected for the use of the Premises (including, without limitation, requirements outside of Normal Business Hours), the Landlord may, in its sole discretion, designate a professional engineer or other consultant to review such above-normal utilization and determine the extent thereof and, on such determination and delivery of a copy of the engineer's report to the Tenant, the Landlord may, if such report so indicates, increase the Tenant's payments on account of such Additional Rent by an amount equal to such above-normal utilization as long as such utilization shall continue. The Tenant shall pay to the Landlord, as long as such utilization shall continue, the amount determined by the Landlord, in its sole opinion and in accordance with the engineer's report, to be attributable to such above-normal utilization. The Tenant shall also pay to the Landlord, as Additional Rent, any extra insurance costs resulting from such above-normal utilization.

#### **6.3 Additional Utilities**

The Tenant shall make arrangements, at its own cost and expense, directly with the utility or service supplier in respect of any utilities and services not supplied by the Landlord. The Tenant, at its own cost and expense, shall procure each and every permit, licence or other authorization required, and shall comply with the provisions of Article 9 of this Lease pertaining to any work

required in respect of such additional utilities and services.

# 6.4 No Overloading

The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Property, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

# 6.5 No Liability

In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Premises, or to any property of the Tenant or anyone else, for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or damages of whatsoever kind arising from any interruption or failure in the supply of any utility, inputs or services to the Premises.

# 6.6 HVAC and Greenhouse Equipment

The Tenant shall, throughout the Term, operate, maintain, repair, replace and regulate the HVAC Equipment and Greenhouse Equipment within and exclusively serving the Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the HVAC Equipment and Greenhouse Equipment in a good and working order.

# Article 7 — Control and Operation by Landlord of Common Areas

### 7.1 Property Operation and Repair

(1) The Landlord shall operate, maintain and repair the Common Areas, the Property (excluding the Premises), any HVAC Equipment and Greenhouse Equipment serving the Premises that is not the Tenant's responsibility under Section 6.6 and any other service facilities not within or exclusively serving the Premises, to the extent required to keep the Property, equipment and facilities in a state of good repair and maintenance in accordance with normal property management standards for a similar building in the vicinity. For greater certainty:

- (a) the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein; and
- (b) the Landlord shall promptly make all repairs to the structural components of the Property (excluding the Premises) including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

(2) In the event that the Landlord fails to meet its obligations hereunder to operate, maintain and repair the Common Areas, the Property (excluding the Premises), and any HVAC equipment and Greenhouse Equipment servicing the Premises as aforesaid, the Tenant shall deliver reasonable notice to the Landlord requiring the Landlord to comply with its obligations hereunder. In the event that the Landlord, after reasonable notice fails to comply, the Tenant shall be entitled to fulfil the obligations of the Landlord hereunder, and shall be entitled to deduct any actual costs incurred therewith from the Basic Rent next due under this Lease.

### 7.2 Common Areas and Property

The Tenant shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes of those portions of the Common Areas intended for common use by tenants of the Property, provided that such use by the Tenant shall always be subject to such reasonable Rules and Regulations as the Landlord may from time to time determine. At times other than during Normal Business Hours, the Tenant and the employees of the Tenant and persons lawfully requiring communication with the Tenant shall have access to the Property only in accordance with the Rules and Regulations and any security requirements of the Landlord. The Common Areas shall at all times be subject to the exclusive management and control of the Landlord. The Landlord reserves the right to lease parts of the Common Areas from time to time, to grant exclusive parking rights over portions of the Common Areas from time to time, to alter the layout or configuration of and/or reduce or enlarge the size of the Common Areas and/or the Rentable Area of the Property, to cease to treat as part of the Property any buildings or lands now forming part of the Property and/or to add additional lands or buildings to the Property, and to make other changes to the Property as the Landlord shall from time to time reasonably determine. Provided the Landlord consents in writing, which consent shall not be unreasonably withheld, and provided that they do not interfere with the Landlord's use of the Common Areas, the Tenant shall be entitled, at its expense to make such improvements to the Common Areas as required from time to time for the purposes of operating the business on the Premises.

### 7.3 Rules and Regulations

The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule "C", and any further and other reasonable Rules and Regulations made hereafter by the Landlord of which notice in writing shall be given to the Tenant, which are of general application to all tenants of the Property. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

# 7.4 Inspection and Repair on Notice

The Tenant, its employees, agents and contractors shall be entitled to enter upon the Common Areas and Property at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, to the Common Areas or to the Property, or for the purpose of having access to the under floor ducts, or to the access panels to mechanical shafts (which the Landlord agrees not to obstruct). The Landlord shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Tenant shall take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Landlord's business and to minimize interference with the Landlord's use and enjoyment of the Property. The Landlord shall promptly effect all repairs necessitated by the Landlord's negligence or wilful misconduct or the negligence or wilful misconduct of the Landlord's agents, employees, contractors, invitees, employees or others for whom the Landlord is in law responsible.

#### 7.5 Repair where Landlord at Fault

If the Property, including the Premises, the Greenhouse Equipment, the boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Property, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Landlord, its servants, agents, employees or anyone permitted by it to be in the Property, the expense of the necessary repairs, replacements or alterations shall be borne by the Landlord.

# Article 8 — Use of Premises

#### 8.1 Use of the Premises

The Tenant acknowledges that the Premises will be used solely for the purposes set out in Section 1.1(h), and for no other purpose.

#### 8.2 Observance of Law

The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters. Without limiting the generality of the foregoing:

- (a) where, during the Term, the Tenant has, through its use or occupancy of the Premises, caused or permitted a release of a contaminant or any Hazardous Substance at, from or to the Premises, the Tenant shall immediately clean up such contaminant or Hazardous Substance from the Premises, and any affected areas, at the Tenant's expense; and
- (b) on the termination of the Lease for any reason, the Tenant shall remove, at its expense, any contaminant or contamination or Hazardous Substance which, through the Tenant's use or occupancy of the Premises, it has brought to or created at the Property.

### 8.3 Waste, Nuisance, Overloading

The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Property,

and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

# 8.4 Tenant's Warranties and Covenants Regarding Use of Premises

(1) The Tenant represents, warrants and undertakes that the Premises will be used and to use the Premises only for legal purposes and for no illegal purpose.

(2) The Tenant covenants and agrees to obtain any and all necessary permits, licences, authority, rezoning, or take all other acts and steps to ensure that the Premises are used for legal purposes. Prior to the commencement of the Commencement Date, the Tenant shall provide to the Landlord sufficient evidence, in the Landlord's sole discretion, that the Premises will be used and occupied for no illegal purpose, including, without limitation, any licenses and permits required by the Tenant to carry on its business on the Premises.

(3) The Tenant agrees to indemnify and save harmless the Landlord from any and all breaches of these covenants contained in this section or in any other covenants contained in this Lease.

# Article 9 — Maintenance, Repairs and Alterations of Premises

#### 9.1 Maintenance, Repair and Cleaning of Premises

The Tenant shall, at its own expense and cost, operate, maintain and keep in good and substantial repair, order and condition the Premises, Greenhouse Equipment within the Premises, and all parts thereof (including, without limitation, the roof (including the roof membrane and the plastic roof on the greenhouses within the Premises ), interior concrete slab floors, exterior walls, all greenhouse structures and components, all plumbing, drains, electrical and other utility services within or exclusively serving the Premises). All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises and Greenhouse Equipment and shall meet the requirements of all authorities having jurisdiction and the insurance underwriters. For greater certainty, the Tenant shall be exclusively responsible for all repairs, replacements, maintenance and other costs (including, without limitation, structural and capital repairs and costs) to the Premises, Greenhouse Equipment within the Premises and all parts thereof. Notwithstanding anything herein contained, the Landlord shall be responsible for repairs and replacements to the roof, including the roof membrane on all buildings within the Premises except the greenhouses, and for greater certainty, the Tenant shall be responsible for repairs and replacements to the plastic membrane on the greenhouses located within the Premises.

#### 9.2 Inspection and Repair on Notice

The Landlord, its employees, agents and contractors shall be entitled to enter upon the Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Premises or to the Property, or for the purpose of having access to the under floor ducts, or to the access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its employees, agents

and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord shall take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises. The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, employees, contractors, invitees, employees or others for whom the Tenant is in law responsible.

# 9.3 Repair where Tenant at Fault

If the Property, including the Premises, the Greenhose Equipment, the boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Property, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees or anyone permitted by it to be in the Property, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand.

#### 9.4 Alterations

The Tenant will not make or crect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written approval, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written approval to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable outof-pocket costs of having its architect or consultants review such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural or any work that might impact the HVAC Equipment or other base building systems work. Any changes to the lighting undertaken by the Tenant as part of an approved alteration must result in energy efficient lighting compatible with the Property standard. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labour union affiliations are not incompatible with those of any workers who may be employed in the Property by the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labour and services involved therein and of all decoration and all changes to the Property, its equipment or services, necessitated thereby.

#### 9.5 Signs

The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Property or that is visible from the outside of the Property without the prior consent of the Landlord, not to be unreasonably withheld.

#### 9.6 Construction Liens

If any construction or other lien or order for the payment of money shall be filed against the Property by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens, or orders, against the Tenant, at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

### 9.7 Leasehold Improvements and Fixtures

(1) All Leasehold Improvements shall immediately on their placement remain the Tenant's property.

(2) The Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, and at the end of the Term, the Tenant shall remove its trade fixtures if required by the Landlord.

(3) The Tenant shall, at its sole cost, remove such of the Leasehold Improvements as the Landlord shall require to be removed, such removal to be completed on or before the end of the Term.

(4) The Tenant shall, at its own expense, repair any damage caused to the Property and Greenhouse Equipment by the Leasehold Improvements or trade fixtures or the removal thereof. For greater certainty, the Tenant's trade fixtures shall not include any HVAC Equipment serving the Premises, Greenhouse Equipment or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

#### 9.8 Surrender of Premises

At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up to the Landlord vacant possession of the Premises and Greenhouse Equipment in the same condition and state of repair as the Tenant is required to maintain the Premises and Greenhouse Equipment throughout the Term and in accordance with this Lease. For greater certainty, the Premises and Greenhouse Equipment shall be surrendered in the same or better condition than they were at the beginning of the Term.

#### Article 10 — Insurance and Indemnity

### **10.1 Tenant's Insurance**

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

(a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises or on the Property, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;

- (b) Commercial general liability insurance, including property damage, bodily injury and personal injury liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;
- (d) crop insurance, if available;
- (e) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (f) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof;
- (g) Environmental Liability Insurance, insuring the Premises of the Landlord from any damages caused to the Premises as a result of the release of any contaminates or any Hazardeous Substance; and
- (h) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be on such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 10.1(a) and 10.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord. The insurance described in Sections 10.1(b) and 10.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord

the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following payment by the Landlord.

## **10.2 Landlord's Insurance**

The Landlord shall provide and maintain insurance on the whole of the Property against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Property. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Property and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

#### **10.3 Increase of Landlord Premiums**

If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Property or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Property, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Property showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of any insurer now or hereafter having policies in effect, pertaining to or affecting the Property.

#### **10.4 Tenant Indemnity**

The Tenant shall indemnify and save harmless the Landlord against any and all claims, actions, causes of action, damages, demands for damages, losses and other liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or loss of or damage to property and legal fees on a solicitor and client (substantial indemnity) basis) due to or arising from or out of any occurrence in, on or at the Premises or the occupancy or use by the Tenant of the Premises or any other part of the Lands and Property or occasioned wholly or in part by any act or omission of the Tenant or its officers, employees, agents, contractors, invitees, licensees or by any person permitted by the Tenant to be on the Premises or the Lands and Property or due to or arising out of any breach by the Tenant of this Lease.

#### **10.5 Mutual Release**

(1) Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts shall be deemed to be proceeds of insurance received (subject to the right of the Landlord to include such deductible amounts in Operating Costs); and
- (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.

(2) Notwithstanding the foregoing or anything else herein contained, in no event, whether or not the result of the wilful act or the negligence of the Landlord, its agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall the Landlord be liable for:

- (a) damage to property of the Tenant or others located on the Premises;
- (b) any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Property or from the water, steam or drainage pipes or plumbing works of the Property or from any other place or quarter;
- (c) any damage caused by or attributable to the condition or arrangement of any electrical or other wiring;
- (d) any damage caused by anything done or omitted to be done by any other tenant of the Property; or
- (e) any indirect or consequential damages suffered by the Tenant.

### Article 11 — Assignment and Subletting

# 11.1 Assignment, Subletting

(1) The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which shall not be unreasonably withheld. No consent to any Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but no such Transfer or collection or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

(2) Notwithstanding anything herein contained, the Landlord acknowledges and agrees that the Tenant is in the process of raising equity financing or restructuring, which may involve an assignment orTransfer of this Lease to a related or affiliated party, or an issuance of equities or shares which could result in a change of control of the Tenant. The Landlord agrees to consent to any reasonable such assignment or Transfer required by the Tenant for the purposes of the Tenant achieving it its objective of raising equity financing, or going public.

#### **11.2 Landlord's Consent**

If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 11.3 of this Lease, and the Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within ten (10) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 11.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

### **11.3 Requests for Consent**

(1) Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be subject to the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease;
- (c) the Tenant paying to the Landlord, prior to receiving such consent, an administrative fee and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and
- (d) the Tenant paying to the Landlord, as Additional Rent, all excess rent and other profit earned by the Tenant in respect of the Transfer.

(2) Notwithstanding any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to withhold its consent if, without limiting any other factors or circumstances which the Landlord may reasonably take into account:

- (a) the Tenant is in default under this Lease;
- (b) the proposed Transfer would be or could result in a violation or breach of any covenants or restrictions made or granted by the Landlord to other tenants or occupants, or prospective tenants or occupants, of the Lands or Property;

- (c) in the Landlord's reasonable opinion either the financial background or the business history and capability of the proposed Transferee is not satisfactory;
- (d) if the Transfer affects less than all of the Premises, the portion affected or the portion remaining are not acceptable in respect of size, access or configuration;
- (e) the proposed Transferee, any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under other commercial leases or does not have a satisfactory history of compliance with laws;
- (f) the Landlord at the time has, or will have in the next ensuing three (3) month period, other premises in the Property suitable for leasing to the proposed Transferee; or
- (g) the proposed Transfer is to an existing tenant or occupant of the Property.

# **11.4 Change of Control**

Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 11 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change in control. This provision shall not apply if the Tenant is a public company or is controlled by a public company listed on a recognized stock exchange and such change occurs as a result of trading in the shares of a corporation listed on such exchange.

# 11.5 No Advertising

The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is first approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

# 11.6 Assignment by Landlord

In the event of the sale or lease by the Landlord of its interest in the Property or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

# 11.7 Status Certificate

The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

#### **11.8 Subordination and Non-Disturbance**

(1) This Lease and the rights of the Tenant in this Lease are, and shall at all times be, subject and subordinate to any and all mortgages and other financial encumbrances in respect of the Lands and Property and to all advances made at any time upon the security thereof, and the Tenant, on request by and without cost to the Landlord, shall, within ten (10) days after such request, execute and deliver any and all instruments required by the Landlord or its lender to evidence such subordination. Upon request by the Tenant at the time of any request for confirmation of subordination, the Landlord shall make reasonable commercial efforts to obtain from any mortgagee or other secured lender an acknowledgement in writing addressed to the Tenant, whereby such lender acknowledges that, in the event of any such lender realizing upon the security, it will not disturb the Tenant and will permit the Tenant to remain in possession under this Lease in accordance with its terms, so long as the Tenant is not in default beyond applicable notice and cure periods hereunder. All costs incurred by the Landlord in connection with obtaining or seeking to obtain any such acknowledgement and assurance shall be paid by the Tenant as Additional Rent.

(2) The Landlord, as to any mortgage or other security, and a mortgagee or other secured lender, as to any mortgage or other security held by it, may, by notice to the Tenant, elect that this Lease and the rights of the Tenant hereunder shall be prior to such security and the Tenant, on request by and without cost to the Landlord, shall, within ten (10) days after such request, execute and deliver any and all instruments required by the Landlord or the lender, as the case may be, to confirm priority to this Lease over the security.

# Article 12 — Quiet Enjoyment

#### 12.1 Quiet Enjoyment

The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

# Article 13 — Damage and Destruction

#### **13.1 Damage or Destruction to Premises**

If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

#### 13.2 Rights to Termination

Notwithstanding Section 13.1:

(a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the opinion of the Landlord's architect or professional engineer, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may, instead of rebuilding the Premises, terminate this Lease by giving to the Tenant within thirty (30) days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and

(b) if the Property shall, at any time, be wholly or partially destroyed or damaged (whether or not the Premises have been affected) to the extent that twenty-five percent (25%) or more of the gross floor area of the Property has become unfit for use, the Landlord may elect, within thirty (30) days from the date of such damage, to terminate this Lease on thirty (30) days' notice to the Tenant, in which event rent shall remain payable until the date of termination (unless it has abated under Section 13.1).

### **13.3 Certificate Conclusive**

Any decisions regarding the extent to which the Premises or any portion of the Property has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

### **13.4 Insurance Proceeds**

Notwithstanding Sections 13.1 and 13.2, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Property or the Premises, or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Property or the Premises, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

### 13.5 Landlord's Work

In performing any reconstruction or repair, the Landlord may effect changes to the Property and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures.

### **13.6 Expropriation**

(1) If at any time during the Term any public body or paramount authority shall take or expropriate the whole or a portion of the Premises, then the following provisions shall apply:

(a) if such expropriation or compulsory taking does not materially affect the Tenant's use or enjoyment of the Premises, then the whole of the compensation awarded or settled, whether fixed by agreement or otherwise, shall be paid or received by the Landlord, and the Tenant assigns, transfers and sets over unto the Landlord all of the right, title and interest of the Tenant therein and thereto, and this Lease shall thereafter continue in effect with respect to the remainder of the Premises, without abatement or adjustment of Rent; and

(b) if such expropriation or compulsory taking does materially affect the Tenant's use or enjoyment of the Premises, then, at the Landlord's option: (i) this Lease shall be deemed to terminate and the Term shall terminate on the date upon which the expropriating or taking authority requires possession of the lands so expropriated or taken; or (ii) the Premises shall be adjusted to exclude the area so taken, the Landlord shall complete any work required to the Premises as a result of such taking (excluding any work relating to any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant) and the Rent shall be adjusted if the Rentable Area of the Premises changes as a result of such taking. In either event the Landlord shall be entitled to receive the entire compensation awarded or settlement, whether fixed by agreement or otherwise, save and except for that portion thereof as is specifically awarded or allocated in respect of the leasehold improvements or other interests of the Tenant.

(2) The Landlord and the Tenant will cooperate with each other regarding any expropriation of the Premises or any part thereof so that each receives the maximum award to which it is entitled at law.

# Article 14 — Default

# 14.1 Default and Right to Re-enter

Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent due is not paid when due and such failure continues for ninety (90) days after notice in writing from the Landlord to the Tenant;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 14.1, after notice in writing from the Landlord to the Tenant:
  - (i) the Tenant fails to remedy such breach within ninety (90) days (or such shorter period as may be provided in this Lease); or
  - (ii) if such breach cannot reasonably be remedied within ninety (90) days (or such shorter period), the Tenant fails to commence to remedy such breach within ninety (90) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;

- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within ninety (90) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises or the Premises become vacant or substantially unoccupied for a period of ninety (90) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Property is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible.

# 14.2 Default and Remedies

If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 14.2(a) or proceeding under Section 14.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 14.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the

Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith plus fifteen percent (15%) of the costs so incurred by the Landlord as an administrative fee;

- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated rent.

#### **14.3 Distress**

Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

# 14.4 Costs

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

#### **14.5 Remedies Cumulative**

Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

# Article 15 — General

#### **15.1 Entry**

(1) Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, at any time during the last twelve (12) months of the Term:

(a) without notice to or consent by the Tenant, to place on the exterior of the Premises, the

Landlord's usual notice(s) that the Premises are for rent; and

(b) on reasonable prior notice, to enter upon the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

(2) The Landlord may enter the Premises at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers or for the purpose of inspecting the Premises.

#### 15.2 Force Majeure

Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 15.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

#### **15.3 Effect of Waiver or Forbearance**

No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

#### **15.4 Notices**

(1) Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out in Section 1.1(a), (b) or (c), as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received on delivery of the same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

(2) Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

#### **15.5 Registration**

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Property. The Tenant may register a notice, short form or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice, short form or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Property. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat. If any part of the Property which, in the opinion of Landlord, is surplus is transferred, the Tenant shall forthwith, at the request of the Landlord, discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Property is made subject to any easement, right-of-way or similar right, the Tenant shall immediately, at the request of the Landlord, postpone its registered interest to such easement, rightof-way or similar right.

# 15.6 Number, Gender, Effect of Headings

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

#### 15.7 Severability, Subdivision Control

If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and the Landlord agrees to cooperate with the Tenant in bringing such application.

#### **15.8 Entire Agreement**

There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein and this Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

## **15.9 Successors and Assigns**

The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

#### **15.10** Confidentiality and Personal Information

(1) The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any other tenants in the Property, prospective tenants, real estate agents or others except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.

(2) Any Tenant that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant, as applicable, (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

# **15.11 Renegotiation of Terms of Lease**

The Landlord and Tenant intend the terms of this Lease to be fair and reasonable to each of them having regard to the interests of each party at the time of entering into of this Lease and continuing through the term. Accordingly, if at any time during the Term either party is of the view that the application of the Lease terms produces a result which is materially unfair or unreasonable in any respect, the parties undertake to negotiate in good faith to amend this Lease to resolve the matter on a fair and reasonable basis, provided that such renegotiations shall not occur more frequently than annually without the consent of both parties . In particular, without limiting the generality of the foregoing, the Landlord and Tenant acknowledge that the Tenant intends to undertake substantial improvements to the Premises and Greenhouse Equipment located within the Premises at substantial cost, and there could be unforeseen issues that may arise that may require a review or a renegotiation of this Lease, such as for example the supply of utilities, inputs and services, maintenance and use of the Common Areas and other unforeseen issues. The Landlord and Tenant acknowledge and agree in good faith to renegotiate and resolve any issues that arise from time to time.

[signature page follows]

IN WITNESS WHEREOF the parties have duly executed this Lease.

# LANDLORD

#### Via Verde Hydroponics Ltd.

Per: (s) "*Carl Mastronardi*" Carl Mastronardi, President I have authority to bind the Corporation

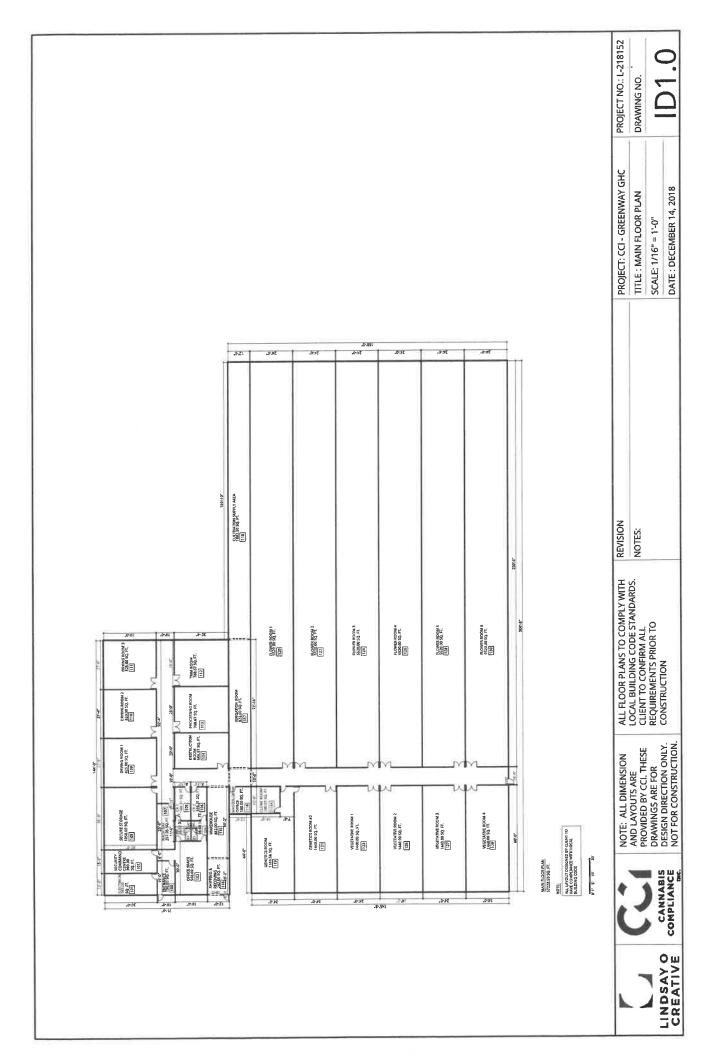
TENANT

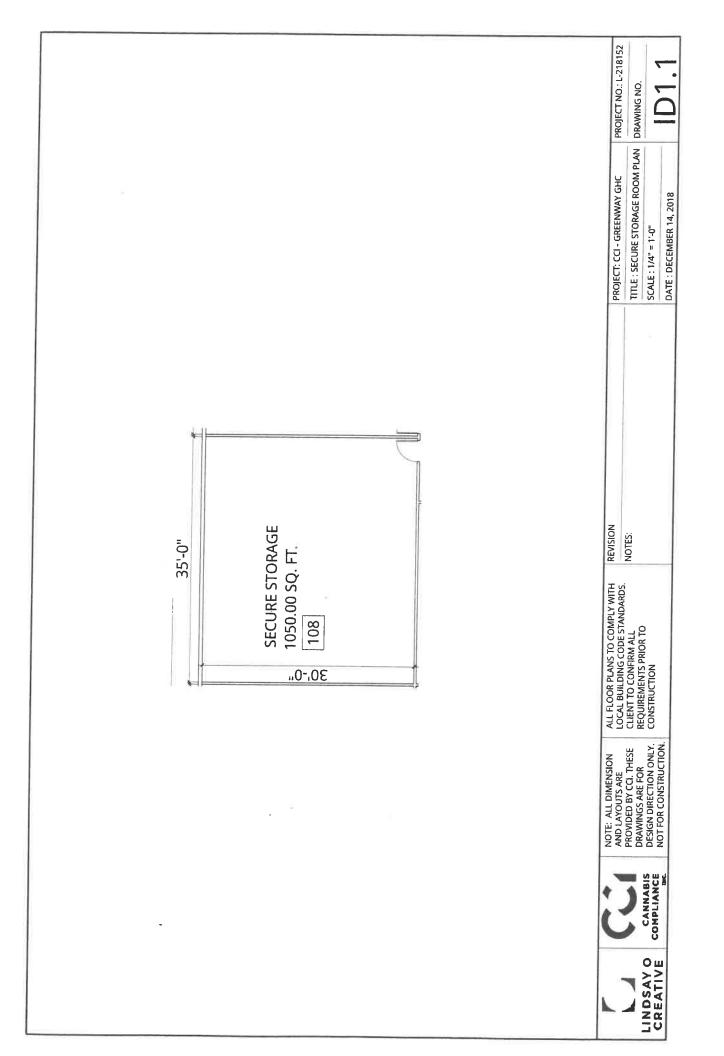
# **Greenway Greenhouse Cannabis Corporation**

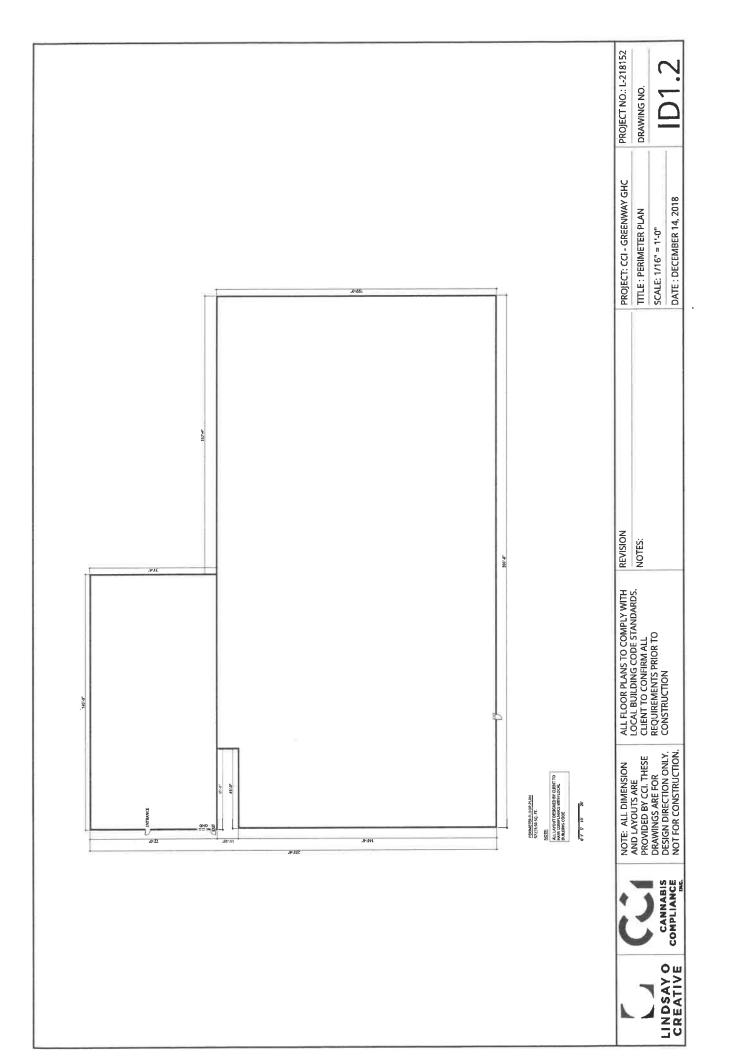
Per: (s) "Carl Mastronardi" Carl Mastronardi, President I have authority to bind the Corporation

# Schedule "A" Plans of Premises

See attached.







# Schedule "B"

# Legal Description

PART LOT 10 AND 11 CONCESSION 4 MERSEA PART 1 12R13771, PART 2, PLAN 12 R23077; LEAMINGTON [PINS: 75097-0083 AND 0523 (LT)]

# Schedule "C"

# **Rules and Regulations**

- 1. The sidewalks, entries, passages and staircases shall not be obstructed or used by the Tenant, its agents, employees, contractors, invitees or employees for any purpose other than ingress to and egress from the Premises. The Landlord reserves entire control of all parts of the Property employed for the common benefit of the tenants and, without restricting the generality of the foregoing, the Landlord reserves entire control of the sidewalks, entries, corridors and passages not within the Premises, washrooms, air-conditioning closets, fan rooms, janitor's closets, electrical closets and other closets, stairs, flues, stacks, pipe shafts and ducts, and shall have the right to place such signs and appliances therein as it may deem advisable, provided that ingress to and egress from the Premises is not unduly impaired thereby.
- 2. The Tenant, its agents, employees, contractors, invitees, employees or others for whom the Tenant is in law responsible, shall not bring in or take out, position, construct, install or move any machine or other heavy equipment without first obtaining the consent in writing of the Landlord.
- 3. The Tenant shall not place or cause to be placed any additional locks or security devices on any doors of the Premises without the approval of the Landlord. In addition, the placing of any additional locks or security devices on any doors of the Premises shall be subject to any conditions imposed by the Landlord.
- 4. Any hand trucks, carryalls, or similar appliances used in the Property shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.
- 5. The Tenant shall, at its expense and at such reasonable intervals as the Landlord requires, exercise such pest control measures as directed by the Landlord using contractors designated by the Landlord, failing which the Landlord shall have the right, at its option, to exercise such pest control measures for the Premises, at the expense of the Tenant.
- 6. The Tenant shall not misuse or damage the Premises or other parts of the Property or any of the improvements or facilities therein, or unreasonably deface or mark any walls or other parts of the Premises or other parts of the Property.

7. The Tenant shall not use or permit use of the Premises in such manner as to create any noises or odours objectionable or offensive to the Landlord or any other tenant of the Property or other nuisance or hazard or to breach the provisions of applicable laws or any requirement of the insurers of the Property. Notwithstanding this provision, the Landlord acknowledges that the Premises will be used for the purposes of cultivating cannabis, and inherently this will involve the omission of some oders. The Tenant shall take all reasonable measures to minimize oders resulting from cannabis cultivation admitting from the Premises.

8.. If required by the Landlord, bicycles or other vehicles shall not be brought or left in or on any part of the Property except in such area or areas as are designated by the Landlord from time to time.

#### Schedule "D"

#### **Option to Lease Additional Space**

Provided that the Tenant is: (a) in good standing; (b) the original Tenant; (c) in occupation of the whole of the Premises; and (d) has not been in default under this Lease, the Tenant shall have options to lease additional greenhouse space (the "Option to Lease") in one (1) acre increments in respect of the space adjacent to the Premises (the "Option Space") as follows:

- (i) each Option to Lease shall be open for exercise by the Tenant during the Term by the Tenant providing ninety (90) days written notice to the Landlord. The Option to Lease shall be of no further force or effect if not exercised on or before the expiry of the Term;
- (ii) the terms and conditions relating to the Option Space shall be the same as the terms and conditions of the Lease, including Rent and Additional Rent;
- (iii) if the Tenant elects to lease the Option Space as aforesaid, the Lease shall be amended to include the Option Space as part of the Premises on the same terms and conditions as contained in the Lease, save and except:
  - (a) the term of the Lease of the Option Space shall be coterminous with the remainder of the Term and shall include all rights of renewal or extension;
  - (b) the Tenant shall be responsible, at its cost, for all work required to integrate the Option Space into the existing Premises, such work to be completed in accordance with the terms of the Lease; and
- (iv) the Tenant shall enter into a lease amending agreement prepared by the Landlord amending the Lease to include the Option Space and the terms and conditions related to it prior to taking possession of the Option Space.

#### Schedule "E"

#### **Extension Rights**

(1) Provided that the Tenant is: (a) in good standing; (b) the original Tenant; (c) in occupation of the whole of the Premises; and (d) has not been in default under this Lease, the Tenant shall have the option, exercisable on no less than three (3) months' and no more than six (6) months' written notice to the Landlord prior to the expiry of the Term, to extend the Lease with respect to the Premises for one (1) additional term of ten (10) years (the "Extended Term") on the same terms and conditions as the Term save and except:

- (i) there will be no further right to extend the Term; and
- (ii) the Basic Rent rate for the Extended Term shall be the then fair market Basic Rent rate for comparable premises in the area at the time of renewal, provided that in no event shall such rate be less than the Basic Rent payable during the last twelve (12) month period immediately preceding the commencement of the Extended Term.

(2) If the parties are unable to agree on the Basic Rent for the Extended Term on or before the date that is sixty (60) days prior to the commencement of the Extended Term, then such Basic Rent shall be determined by arbitration before a sole arbitrator in accordance with the Arbitrations Act of Ontario.

(3) The parties shall execute a Lease Extension Agreement prepared by the Landlord to reflect the terms of the Extended Term.

(4) Provided however that the Tenant's extension rights herein shall be effective to create an interest in property, only if the Tenant complies with the subdivision control provisions of the Planning Act (Ontario) prior to the exercise of this option, and the Tenant covenants to proceed diligently at its expense to obtain any necessary consent prior to its exercise of this option.

#### Schedule "F"

#### **Option to Purchase Property**

Provided that the Tenant: (a) is the original Tenant; and (b) has never been in default under this Lease, the Tenant shall have a one-time option to purchase (the "Purchase Option") the Property, including any equipment and chattels used by the Landlord in its greenhouse operation (the "Purchased Property"), as follows:

- (i) the Purchase Option shall be open for exercise by the Tenant during the Term (the "Purchase Option Period");
- (ii) the purchase price shall be the fair market value of the Property, payable in cash or by certified cheque on closing. The fair market value shall be determined based on the value of the greenhouse operation as if it was used for vegetable production and shall not include the value of the Leasehold Improvements. If the Landlord and the Tenant do not agree on such fair market value within fifteen (15) after the exercise of the Purchase Option, then the fair market value shall be determined by the average of two certified accredited independent appraisers experienced in preparing appraisals of greenhouse operations, one chosen by the Landlord and the other chosen by the Tenant;
- (iii)the closing of the Purchase Option shall be on or before the sixtieth day following the exercise of the Purchase Option, unless such date is not a business day, in which case the closing shall be on the next business day;
- (iv) if the sale of the Purchased Property is subject to Harmonized Sales Tax, then such tax shall be in addition to the purchase price and payable by the Tenant to the Landlord;
- (v) the Purchase Option shall be exercised by the Tenant delivering an agreement of purchase and sale containing the standard terms of the Ontario Real Estate Association (including any successor thereof) standard form of commercial agreement of purchase and sale attached hereto as Schedule "G", to the extent applicable and where not inconsistent with the terms hereof. The agreement of purchase sale shall be completed by the Tenant and shall contain the terms as set out herein including the following terms:
  - (a) Purchase Price as determined herein provided however if not determined prior to the exercise of the Purchase Option, it shall provide that it is to be determined;
  - (b) Completion Date 60 days after the exercise of the Purchase Option as provided herein;
  - (c) Requisition Date seven (7) days prior to the Completion Date;
  - (d) Present Use agricultural/greenhouse operation;
  - (e) Revocable Date- three (3) days after delivery; and
- (vi) the Purchase Option shall be null and void and of no further force or effect if not exercised within the Purchase Option Period.

# Schedule "G"

# Ontario Real Estate Association Commercial Agreement of Purchase and Sale

See attached.



Form 500 for use in the Province of Ontario

This ,	Agreement of Purchase and Sale dated this	, 20
BUY	(Full legal names of all Buyers)	, agrees to purchase from
SELL	.ER:(Full legal names of all Sellers)	, the following
REA	L PROPERTY:	
Addr	ress	
	ing on the side of	
in th	e	
and	having a frontage of more or less by a depth of	more or less
and	legally described as	
•••••	(Legal description of land including easements not described elsewhere)	(the "property")
PUR	CHASE PRICE: Dollars (CDN\$)	
		Dollars
	OSIT: Buyer submits	
•••••		
to be of th of th the c	egotiable cheque payable to e held in trust pending completion or other termination of this Agreement and to be credited toward t iis Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the iis Agreement. The parties to this Agreement hereby acknowledge that, unless otherwise provided fo deposit in trust in the Deposit Holder's non-interest bearing Real Estate Trust Account and no interest	he Purchase Price on completion. For the purposes Deposit Holder within 24 hours of the acceptance r in this Agreement, the Deposit Holder shall place
	ver agrees to pay the balance as more particularly set out in Schedule A attached.	
SCH	HEDULE(S) Aattach	
1.	<b>IRREVOCABILITY:</b> This offer shall be irrevocable by	until on {a.m./p.m.}
	the	, after which time, if not accepted, this
2.	<b>COMPLETION DATE:</b> This Agreement shall be completed by no later than 6:00 p.m. on the	
	unless otherwise provided for in this Agreement.	session of the property shall be given to the Buyer
	INITIALS OF BUYER(S):	INITIALS OF SELLERS(S):
R	The trademarks REALTOR®, REALTORS®, MLS®, Multiple Listing Services® and associated logos are owned or controlled by The Canadian Real Estote Association (CREA) and identify the real estate professionals who are members of CREA and the quality of services they provide. Used under license.	
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3. NOTICES: The Seller hereby appoints the Listing Brokerage as agent for the Seller for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage (Buyer's Brokerage) has entered into a representation agreement with the Buyer, the Buyer hereby appoints the Buyer's Brokerage as agent for the purpose of giving and receiving notices pursuant to this Agreement. Where a Brokerage represents both the Seller and the Buyer (multiple representation), the Brokerage shall not be appointed or authorized to be agent for either the Buyer or the Seller for the purpose of giving and receiving notices. Any notice relating hereto or provided for herein shall be in writing. In addition to any provision contained herein and in any Schedule hereto, this offer, any counter-offer, notice of acceptance thereof or any notice to be given or received pursuant to this Agreement or any Schedule hereto (any of them, "Document") shall be deemed given and received when delivered personally or hand delivered to the Address for Service provided in the Acknowledgement below, or where a facsimile number or email address is provided herein, when transmitted electronically to that facsimile number or email address, respectively, in which case, the signature(s) of the party (parties) shall be deemed to be original.

	FAX No.:	FAX No.:
	Email Address:	Email Address:
4.	CHATTELS INCLUDED:	
		agrees to convey all fixtures and chattels included in the Purchase Price free
5.	FIXTURES EXCLUDED:	
6.	<b>RENTAL ITEMS (Including Lease, Lease to Own):</b> The following e to assume the rental contract(s), if assumable:	quipment is rented and <b>not</b> included in the Purchase Price. The Buyer agrees
	The Buyer agrees to co-operate and execute such documentation as may	v be required to facilitate such assumption.
7.	<b>tax shall be in addition to the Purchase Price.</b> The Seller will n registered under the Excise Tax Act ("ETA"), together with a copy of the the HST payable and file the prescribed form and shall indemnify the Se	<b>d above</b> ) is subject to Harmonized Sales Tax (HST), then such ot collect HST if the Buyer provides to the Seller a warranty that the Buyer is Buyer's ETA registration, a warranty that the Buyer shall self-assess and remit ller in respect of any HST payable. The foregoing warranties shall not merge erty is not subject to HST, Seller agrees to certify on or before closing, that the ot included in the Purchase Price.

INITIALS OF BUYER(S):



INITIALS OF SELLERS(S):



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are no outstanding work orders or deficiency notices affecting the property, that its present use (......) may be lawfully continued and that the principal building may be insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders and deficiency notices affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

- 9. FUTURE USE: Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
- 10. TITLE: Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telecommunication services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telecommunication lines, cable television lines or other services which do not materially affect the use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire (Title Insurance) in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement notwithstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.
- 11. CLOSING ARRANGEMENTS: Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registrable documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Ontario. Unless otherwise agreed to by the lawyers, such exchange of Requisite Deliveries shall occur by the delivery of the Requisite Deliveries of each party to the office of the lawyer for the other party or such other location agreeable to both lawyers.
- 12. DOCUMENTS AND DISCHARGE: Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
- 13. INSPECTION: Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this offer there shall be a binding agreement of purchase and sale between Buyer and Seller.
- 14. INSURANCE: All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.





INITIALS OF SELLERS(S):



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- 15. PLANNING ACT: This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
- 16. DOCUMENT PREPARATION: The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O.1990.
- 17. RESIDENCY: (a) Subject to (b) below, the Seller represents and warrants that the Seller is not and on completion will not be a non-resident under the non-residency provisions of the Income Tax Act which representation and warranty shall survive and not merge upon the completion of this transaction and the Seller shall deliver to the Buyer a statutory declaration that Seller is not then a non-resident of Canada; (b) provided that if the Seller is a non-resident under the non-residency provisions of the Income Tax Act, the Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate.
- 18. ADJUSTMENTS: Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
- 19. TIME LIMITS: Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
- 20. PROPERTY ASSESSMENT: The Buyer and Seller hereby acknowledge that the Province of Ontario has implemented current value assessment and properties may be re-assessed on an annual basis. The Buyer and Seller agree that no claim will be made against the Buyer or Seller, or any Brokerage, Broker or Salesperson, for any changes in property tax as a result of a re-assessment of the property, save and except any property taxes that accrued prior to the completion of this transaction.
- 21. TENDER: Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money shall be tendered with funds drawn on a lawyer's trust account in the form of a bank draft, certified cheque or wire transfer using the Large Value Transfer System.
- 22. FAMILY LAW ACT: Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O.1990 unless the spouse of the Seller has executed the consent hereinafter provided.
- 23. UFFI: Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
- 24. LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE: The parties acknowledge that any information provided by the brokerage is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.
- 25. CONSUMER REPORTS: The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
- 26. AGREEMENT IN WRITING: If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.
- 27. TIME AND DATE: Any reference to a time and date in this Agreement shall mean the time and date where the property is located.





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28. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein. IN WITNESS whereof I have hereunto set my hand and seal: SIGNED, SEALED AND DELIVERED in the presence of:

	***********		
(Witness)	(Buyer/Authorized Signing Officer)	) (Seal)	(Daie)
(Witness)	(Buyer/Authorized Signing Officer)	(Seal)	(Date)

I, the Undersigned Seller, agree to the above offer. I hereby irrevocably instruct my lawyer to pay directly to the brokerage(s) with whom I have agreed to pay commission, the unpaid balance of the commission together with applicable Harmonized Sales Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the brokerage(s) to my lawyer. IN WITNESS whereof I have hereunto set my hand and seal: SIGNED, SEALED AND DELIVERED in the presence of:

	******		
(Witness)	(Seller/Authorized Signing Officer)	(Seal)	(Date)
(Witness)	(Seller/Authorized Signing Officer)	(Seal)	(Date)

SPOUSAL CONSENT: The undersigned spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O. 1990, and hereby agrees to execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness)	(Spouse)	(Seal)	(Date)
<b>CONFIRMATION OF ACCEPTANCE:</b> Notwithstanding any	thing contained herein to the contrary, I confirm thi	s Agreeme	nt with all changes both typed
and written was finally accepted by all parties at		. ,	, 20

	(Signature of Seller or Buyer)
1	INFORMATION ON BROKERAGE(S)
	Listing Brokerage
	[Salesperson/Broker/Broker of Recard Name]
	Co-op/Buyer Brokerage
	(Salesperson/Broker /Broker of Record Name)

#### ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer. Purchase and Sale and I authorize the Brokerage to forward a copy to my lawyer.

(Seller)	(Date)	(Buyer)	(Date)
(Seller) Address for Service	(Date)	(Buyer) Address for Service	(Date)
	(Tel No.)		(Tel. No.)
Seller's Lawyer		Buyer's Lawyer	
Address		Buyer's Lawyer	
Email		Email	
(Tel. No.)	(Fax. No.)	(Tel. No.)	(Fax. No.)

#### FOR OFFICE USE ONLY

#### COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale: In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS® Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS® Rules and shall be subject to and governed by the MLS® Rules pertaining to Commission Trust. DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale. Acknowledged by:

#### (Authorized to bind the Listing Brokerage)

(Authorized to bind the Co-operating Brokerage)

.....

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**Form 500** for use in the Province of Ontario

This Schedule is attached to and forms part of the Agreement of Purchase and Sale between:

BUYER:, and
SELLER:
for the purchase and sale of
Buyer agrees to pay the balance as follows:

This form must be initialed by all parties to the Agreement of Purchase and Sale.

INITIALS OF BUYER(S):

INITIALS OF SELLERS(S):



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#### Schedule "H"

#### **Option to Lease Vacant Land**

The Tenant shall have an option to lease (the "Option to Lease Vacant Land") the property owned by the Landlord and 2653873 Ontario Inc. located on Mersea Road 5, Leamington, Ontario and described as Part Lot 10, Concession 4, Mersea, designated as Part 1 on Plan 12R25273; Leamington, consisting of approximately 26 acres of vacant land (the "Vacant Land"), as follows:

- the Option to Lease Vacant Land shall be open for exercise by the Tenant during the Term by the delivery of ninety (90) days written notice. The Option to Lease Vacant Land shall be of no further force or effect if not exercised on or before the expiry of the Term; and
- (ii) the Tenant shall enter into a lease agreement prepared by the Landlord containing the the terms and conditions in the form of lease of vacant land attached as Schedule "I" hereto, and the rent, shall be the fair market value and equivalent to rent paid for similar types of property in the vicinity at the time that the rent is to be determined. If the Landlord and the Tenant do not agree on such fair market value within fifteen (15) days after the exercise of the Option to Lease Vacant Land, then the fair market value shall be determined by the average of two certified accredited independent appraisers experienced in appraising rentals of farm property, one chosen by the Landlord and the Tenant.
- (iii) the Option to Lease Vacant Land shall be exercised by the Tenant delivering an executed lease in the form attached hereto as Schedule "I", to the extent applicable and where not inconsistent with the terms hereof. The lease shall be completed by the Tenant and shall contain the terms as set out herein including the following terms:

Rent – – as determined herein provided however if not determined prior to the exercise of the Option to Lease Vacant Land, it shall provide that it is to be determined; Commencement Date: - one(1) month after exercise of Option to Lease Vacant Land Term – ten (10) years

(iv) the Option to Lease Vacant Land shall be null and void and of no further force or effect if not exercised within the Term..

## Schedule "I"

# Form of Farm Lease

# **Farm Lease**

THIS AGREEMENT made this day of ,20 ,

BETWEEN:

# Via Verde Hydroponics Ltd. and 2653873 Ontario Inc. (the "Landlord")

AND

Greenway Greenhouse Cannabis Corporation (the "Tenant")

IN CONSIDERATION of the mutual covenants contained herein, the Landlord and Tenant hereby agree as follows:

# 1. Grant and Term

The Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord the property located on Mersea Road 5, Learnington, Ontario and described as twenty-five (25) acres being Part Lot 10, Concession 4, Mersea, designated as Part 1 on Plan 12R25273; Learnington (the "Premises"), subject to all easements now existing or which the Landlord may grant in the future, to have and to hold during the period (the "Term") commencing on (the "Commencement Date") and ending on (the "Termination Date"), subject to the terms and conditions of this Lease.

# 2. Rent

The Tenant shall pay to the Landlord, during each year of the Term, rent for the Premises of \$ per annum (the "Rent") payable in equal monthly installments of \$ in advance on the first day of each and every month.

# 3. Additional Rent

The Tenant shall also pay to the Landlord all other amounts payable by the Tenant to the Landlord or to be discharged as Rent under this Lease (the "Additional Rent") at the times and in the manner provided in this Lease or, if not so provided, as reasonably required by the Landlord.

# 4. Landlord's Covenants

The Landlord covenants with the Tenant:

- (a) for quiet enjoyment of the Premises;
- (b) to observe and perform all the covenants and obligations of the Landlord herein;

## 5. Tenant's Covenants

The Tenant covenants with the Landlord:

- (a) to pay all amounts payable by the Tenant to the Landlord under this Lease (collectively the "Rent");
- (b) to promptly pay to the Landlord upon receipt of an invoice or directly to the supplier of such services, as the Landlord directs, all charges, rates, assessments and levies for heat, water, gas, hydro, sewage, waste removal, and all other utilities and services supplied to or consumed in respect of the Premises;
- (c) to promptly pay and discharge any property taxes, levies, duties, assessments, and license fees whatsoever whether municipal, school, provincial, parliamentary or otherwise levied, imposed or assessed against the Premises or upon the Landlord in respect thereof, or from time to time levied, imposed or assessed in the future in lieu thereof, including those levied, imposed or assessed for education, school and local improvements, or other similar taxes imposed upon the Landlord or the Tenant;
- (d) to observe and perform all the covenants and obligations of the Tenant herein;
- (e) to use the Premises only for the purpose of farming legal crops on the Premises and any and all uses ancillary thereto, save and except that the Tenant shall not be entitled to keep any livestock on the Premises;
- (f) to cultivate, till, manure or fertilize and employ such parts of the Premises as are now or shall hereafter be brought under cultivation in a good farmer-like and proper manner and in like manner, to crop the Premises by a regular rotation of crops so as not to impoverish, depreciate or injure the soil, or in the alternative, to employ adequate fertilizer to the Premises to maintain proper crop nourishment, and to plow the Premises in each year during the Term;
- (g) to do what is reasonably necessary to control soil erosion and to abstain from any practice which will cause damage to the Premises;
- (h) to comply with present and future laws, regulations and orders relating to the occupation or use of the Premises which shall include, but not be limited to, all activities related to groundwater contamination, the application of pesticides and commercial fertilizers, the cultivation of crops and the compliance thereof, and the storage and/or disposal of any hazardous waste;
- (i) to maintain any fences on the Premises;
- (j) to cut or spray the weeds along the fences and to carry out and perform all acts required to be done under any Act or by regulations or by-laws with respect to weed and insect control, and the Tenant will not sow, or permit to be sown any grain infected by smut or containing any foul seeds or noxious weed, and will not suffer or permit any such foul seeds or noxious weeds to go to seed;
- (k) that no live trees on the Premises will be cut and no crop residue such as straw or cornstalks will be burnt without the prior written permission of the Landlord;
- (1) not to remove sand, gravel, topsoil or minerals from the Premises;
- (m) to keep the mouths of all underdrains on the Premises open and free from obstruction and in good running order at all times during the Term and will not suffer or permit such drains or the water-courses in any open ditches on the Premises, to become obstructed, but will constantly keep them free and clear for the escape of the water flowing therein;
- (n) not to allow any public use of the Premises without the written consent of the Landlord, which consent may be unreasonably withheld;

- (o) not to do, omit to do or permit to be done anything which will cause or shall have the effect of causing the cost of the Landlord's insurance in respect of the Premises to be increased at any time during the Term or any policy of insurance on or relating to the Premises to be subject to cancellation;
- (p) to be fully responsible for the operation and maintenance of the Premises and for the repair or replacement of all fixtures and chattels located therein or thereon;
- (q) to permit the Landlord to enter upon the Premises to examine, inspect and show the Premises for purposes of leasing, sale or financing, to provide services or make repairs, replacements, changes or alterations as provided for in this Lease or for other reasonable purposes that do not interfere with the Tenant's ability to carry out regular farming operations and to take such steps as the Landlord may deem necessary for the safety, improvement or preservation of the Premises;
- (r) to take out and maintain, in the name of the Landlord, its agents and employees, the Tenant and each mortgagee of the Premises as their interests may appear, all risks property insurance upon property of every description owned by the Tenant or for which the Tenant is legally liable, comprehensive broad form boiler insurance, comprehensive public liability and broad form property damage insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence, rental interruption insurance covering a period of at least twelve (12) months payable to the Landlord as the named insured and any other form or forms of insurance as the Landlord may reasonably require. All insurance policies required under this provision shall provide for a waiver of subrogation against the Landlord or those for whom it is in law responsible. The Tenant shall provide the Landlord with certified copies or certificates of each such insurance policy on or before the Commencement Date;
- (s) to pay to the Landlord all goods and services taxes, harmonized sales tax, sale taxes, value-added taxes, and any other taxes imposed on the Landlord with respect to this Lease, the services provided hereunder or the Rent; and
- (t) to pay all of the costs and expenses associated with the Tenant's obligations hereunder directly to the appropriate party as they come due and shall, at the Landlord's request, provide the Landlord with copies of receipts or other proof acceptable to the Landlord that such costs have been paid. If the Tenant fails to perform any obligation under this Lease or to pay any costs and expenses as set out herein, the Landlord may at its sole option and discretion, on seven (7) days written notice to the Tenant, perform such obligation or pay such amounts on behalf of the Tenant and the Tenant shall forthwith upon receipt of an invoice therefor reimburse the Landlord for the cost of such action or the amount of such payment.

#### 6. Alterations by Tenant

The Tenant may from time to time at its own expense make changes, additions and improvements to the Premises to better adapt the same to its business, provided that any change, addition or improvement shall be made only after obtaining written consent of the Landlord, and shall be carried out in a good and workmanlike manner and only by persons selected by the Tenant and reasonably approved in writing by the Landlord. The Tenant shall pay promptly when due all costs for work done or caused to be done by the Tenant to the Premises which could result in any lien or encumbrance on the Landlord's interest in the property and shall keep the title to the property and every part thereof free and clear of any lien or encumbrance.

#### 7. Termination on Expropriation

The Landlord and the Tenant shall co-operate in respect of any expropriation of all or any part of the Premises so that each party may receive the maximum award to which it is entitled in law. If the whole or any part of the Premises are expropriated, as between the parties hereto, their respective rights and obligations under this Lease shall continue until the day on which the expropriating authority takes possession thereof. If, in the case of partial expropriation of the Premises which does not render the remaining part of the Premises unusable for the purposes of this Lease, the Tenant shall restore, as applicable, the part not so taken in accordance with its repair obligations hereunder. In this Section the word "expropriation" shall include a sale by the Landlord to any authority with powers of expropriation, in lieu of or under threat of expropriation.

#### 8. Indemnity

The Tenant shall indemnify and save harmless the Landlord and its agents and employees from any and all liabilities, damages, costs, claims, suits or actions growing or arising out of:

- (a) any breach, violation or non-performance of any covenant, condition or agreement in this Lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed and performed;
- (b) any damage to any property while the property is in or about the Premises; and
- (c) any injury to person or persons, including death, resulting at any time from anything occurring in or about the Premises.

#### 9. Limitation of Landlord's Liability

The Landlord and its agents and employees shall not be liable for any damage to the Premises or any property located thereon caused by any latent defect or by, water, rain or snow which may leak into, issue or flow from any part of the Premises or from the water, sprinkler or drainage pipes or plumbing works of the same or from any other place or for any damage caused by anything done or omitted to be done by any person or for damage caused by interruption or failure of any service or utility or for damage however caused to property, crops or other valuables of the Tenant.

## **10. Interest and Costs**

The Tenant shall pay monthly to the Landlord interest at a rate equal to the lesser of the prime rate established as such by the Landlord's bank from time to time plus 5 per cent per annum and the maximum rate permitted by applicable law, upon any default in payment of Rent from the due date for payment thereof until the same is fully paid and satisfied.

#### 11. Events of Default

Upon the occurrence of any of the following events (an "Event of Default"):

 (a) the Tenant fails to pay any Rent or other sums due hereunder when due, and such Rent or other sums are not paid within five (5) days after notice is given by the Landlord of such non-payment;

- (b) the Tenant fails to observe, perform and keep each and every of the covenants, agreements and conditions herein contained to be observed, performed and kept by the Tenant and persists in the failure after ten (10) days notice by the Landlord requiring the Tenant to remedy, correct, desist or comply (or such longer period as may be reasonably required to cure the breach given the nature of same);
- (c) the Tenant or any person or corporation bound to perform the obligations of the Tenant hereunder either as guarantor or indemnifier or as one of the parties constituting the Tenant takes any steps or suffers any order to be made for its winding-up or other termination of its corporate existence or becomes insolvent or commits an act of bankruptcy or becomes bankrupt;
- (d) the Tenant abandons the Premises during the Term without the Landlord's written consent, or the Tenant does or permits anything causing cancellation or threat of cancellation of the Landlord's insurance on the Premises;

then the Landlord may, at its option, and in addition to and without prejudice to all rights and remedies of the Landlord available to it either by any other provision of this Lease or by statute or the general law and as cumulative rights and not alternative rights:

- (i) be entitled to the full amount of the current month's and the next three months' installments of Rent which shall immediately become due and payable and the Landlord may immediately distrain for the same, together with any arrears then unpaid;
- (ii) without notice or any form of legal process, forthwith re-enter upon and take possession of the Premises or any part thereof in the name of the whole and relet the Premises or any part thereof on behalf of the Tenant or otherwise as the Landlord sees fit and remove and sell the Tenant's any crops sown and then growing, any equipment or other property of the Tenant therefrom, any rule of law or equity to the contrary notwithstanding;
- (iii) seize and sell any crops sown and then growing, any equipment or other property of the Tenant on the Premises and may apply the proceeds thereof to all Rent to which the Landlord is then entitled under this Lease. Any such sale may be effected by public auction or otherwise, and either in bulk or by individual item, all as the Landlord in its sole discretion may decide;
- (iv) terminate this Lease by giving the Tenant ten (10) days prior written notice of the termination, and termination shall be without prejudice to the Landlord's right to damages; it being agreed that the Tenant shall pay to the Landlord as damages the loss of income of the Landlord to be derived from the Premises for the unexpired portion of the Term had it not been terminated, provided that the Landlord shall not be entitled in any event to receive any damages greater than those damages the Landlord would be entitled to receive at law; or
- (v) re-enter into and upon the Premises or any part thereof in the name of the whole and repossess and enjoy the same as of the Landlord's former estate, anything herein contained to the contrary notwithstanding;

and the Tenant shall pay to the Landlord forthwith upon demand all expenses of the Landlord in re-entering, terminating, re-letting, collecting sums due or payable by the Tenant or realizing upon assets seized including tenant inducements, leasing commissions, legal fees on a solicitor and client basis and all disbursements and the expense of keeping the Premises in good order, and preparing the same for re-letting.

## 12. No Assignment by Tenant

The Tenant shall not assign, sublet, pledge or transfer this Lease or any interest therein or in any way part with or share possession of all or any part of the Premises, or permit all or any part of the Premises to be used or occupied by any other person without the Landlord's prior written consent, which consent may be unreasonably withheld.

#### 13. Surrender

Upon the expiration or other termination of the Term, the Tenant shall immediately quit and surrender possession of the Premises in substantially the condition in which the Tenant is required to maintain the Premises excepting only reasonable wear and tear, and upon surrender, all right, title, and interest of the Tenant in the Premises shall cease.

#### 14. Overholding

If the Tenant continues to occupy the Premises after the expiration or other termination of the Term without any further written agreement, the Tenant shall be a monthly tenant at a Rent equal to one hundred percent (100%) of the Rent paid by the Tenant immediately prior to the expiration or other termination of the Term but subject to all other provisions in this Lease.

#### **15. Mineral Rights**

The Landlord reserves all rights to any minerals on or underlying the Premises.

#### **16. Entire Agreement**

There is no promise, representation or undertaking by or binding upon the Landlord except such as are expressly set forth in this Lease, and this Lease contains the entire agreement between the parties hereto.

## 17. Registration

The Tenant agrees not to register this Lease without the prior written consent of the Landlord, which consent may be unreasonably withheld.

#### 18. Notice

(1) Any demand, notice, direction or other communication to be made or given hereunder (in each case, "Communication") shall be in writing and shall be made or given by personal delivery, by courier, by facsimile transmission, or sent by registered mail, charges prepaid, addressed as follows:

Landlord:	1414 Seacliff Drive Kingsville, Ontario N9Y 2M2	
Tenant:	1414 Seacliff Drive Kingsville, Ontario N9Y 2M2	

or to such other address or facsimile number as any party may, from time to time, designate in accordance with this Section.

(2) A Communication will be considered to have been given or made on the day that it is delivered in person or by courier, or sent by facsimile or, if mailed, seventy-two (72) hours after the date of mailing. If the postal service is interrupted or substantially delayed, any Communication will only be delivered in person or by courier, or sent by facsimile.

#### 19. Governing Law

This Lease shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario.

#### 20. Amendment or Modification

No amendment, modification or supplement to this Lease shall be valid or binding unless set out in writing and executed by the Landlord and the Tenant.

#### 21. Force Majeure

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. This provision should not relieve the Tenant of its obligation to pay rent when due.

#### 22. Severability

All of the provisions of this Lease are to be construed as covenants and agreements. If any provision of this Lease is illegal or unenforceable, it shall be considered separate and severable from the remaining provisions of this Lease, which shall remain in force and be binding as thought he provision had never been included.

# 23. Time of the Essence

Time shall be of the essence hereof.

#### 24. Successors and Assigns

This Lease shall enure to the benefit of and be binding upon the heirs, executors and administrators, successors and assigns of the Landlord and the heirs, executors and administrators and the permitted successors and assigns of the Tenant.

#### 25. Sale by Landlord

In case the Landlord should desire to sell the Premises during the Term, the Landlord shall have the right to terminate the Lease by giving the Tenant not less than thirty (30) days written notice of its intent to do so (the "Landlord's Termination Notice"). The Tenant shall, on the date of termination set out in the Landlord's Termination Notice, peaceably and quietly give up possession of the Premises to the Landlord, provided that upon such earlier determination of the Term and after the Tenant shall have delivered up possession in manner aforesaid and paid to the Landlord the full proportion of Rent due up to the date of such earlier determination, the Tenant shall be entitled to be compensated for the value of the crops sown and then growing, or of the

plowing done on the Premises in preparing for a crop, the amount of such compensation to be agreed to by the parties, each acting reasonably and taking into consideration the fair market value of same, and failing such agreement within thirty (30) days of the termination date, to be determined by arbitration, the cost of which shall be borne equally by the parties.

IN WITNESS WHEREOF the Landlord and the Tenant have executed this Lease as of the date first set forth above.

#### LANDLORD

# Via Verde Hydroponics Ltd.

Per:

Carlo Mastronardi, President I have authority to bind the Corporation.

#### 2653873 Ontario Inc.

Per:\_\_\_\_\_

Carlo Mastronardi, President I have authority to bind the Corporation.

# **Greenway Greenhouse Cannabis Corporation**

Per:

Carlo Mastronardi, President I have authority to bind the Corporation.

TENANT

#### Schedule "J"

## **Option to Purchase Vacant Land**

The Tenant shall have a one-time option to purchase (the "Vacant Land Purchase Option") the property owned by the Landlord and 2653873 Ontario Inc. located on Mersea Road 5, Learnington, Ontario and described as Part Lot 10, Concession 4, Mersea, designated as Part 1 on Plan 12R25273; Learnington, consisting of approximately 26 acres of vacant land (the "Vacant Land"), as follows:

- (i) the Vacant Land Purchase Option shall be open for exercise by the Tenant during the Term (the "Vacant Land Purchase Option Period");
- (ii) the purchase price shall be the fair market value of the Vacant Land, payable in cash or by certified cheque on closing. If the Landlord and the Tenant do not agree on such fair market value within fifteen (15) after the exercise of the Vacant Land Purchase Option, then the fair market value shall be determined by the average of two certified accredited independent appraisers experienced in appraising farm property, one chosen by the Landlord and the other chosen by the Tenant;
- (iii)the closing of the Vacant Land Purchase Option shall be on or before the sixtieth day following the exercise of the Vacant Land Purchase Option, unless such date is not a business day, in which case the closing shall be on the next business day;
- (iv) if the sale of the Vacant Land is subject to Harmonized Sales Tax, then such tax shall be in addition to the purchase price and payable by the Tenant to the Landlord;
- (v) the Vacant Land Purchase Option shall be exercised by the Tenant delivering an agreement of purchase and sale containing the standard terms of the Ontario Real Estate Association (including any successor thereof) standard form of commercial agreement of purchase and sale attached hereto as Schedule "G", to the extent applicable and where not inconsistent with the terms hereof. The agreement of purchase sale shall be completed by the Tenant and shall contain the terms as set out herein including the following terms:
  - (f) Purchase Price as determined herein provided however if not determined prior to the exercise of the Vacant Land Purchase Option, it shall provide that it is to be determined;
  - (g) Completion Date 60 days after the exercise of the Vacant Land Purchase Option as provided herein;
  - (h) Requisition Date seven (7) days prior to the Completion Date;
  - (i) Present Use agricultural;
  - (j) Revocable Date- three (3) days after delivery; and
- (vi) the Vacant Land Purchase Option shall be null and void and of no further force or effect if not exercised within the Vacant Land Purchase Option Period.